

9 Steps to a Strategic Marketing Plan

Here's how to make sure both you and your patients know what makes your practice special.

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For many physicians, marketing is simply a matter of putting an advertisement in the local newspaper, redecorating the waiting room or conducting a direct mailing to people in the community. But this is a haphazard approach that will accomplish little more for your practice than draining its marketing budget.

The key to successfully marketing your practice begins with developing a *strategic* marketing plan in which each activity is based on solid research and specific goals, and is implemented and carefully evaluated in a timely manner. The plan serves as a road map to help you achieve your marketing goals.

Why should you market your practice?

Some physicians still feel that marketing is at best unprofessional and at worst unethical. In fact, good marketing is no more than educating your patients and your community about your expertise and services, and there are a wide range of reasons for doing it, not all of which have a purely financial basis. However, if you do want to determine the value of each new patient to your practice, calculate the average of the revenue that 10 new patients generated during their first 12 months with you.

You might consider marketing your prac-

tice for any or all of the following reasons: to increase your income, expand your patient base, discourage competition, improve your practice image, promote current and new services, introduce new providers, enter a new marketplace or gain or retain market share. Whatever your motivation, make sure to get your staff involved right from the start. Share your reasons for marketing with them, and ask them for their ideas. If your staff is not involved early, it will be difficult to convince them to support the marketing

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In a strategic marketing plan, each activity is based on solid research and specific goals and is carefully implemented and evaluated.



Practices develop marketing plans for a number of reasons, such as increasing income or introducing new services or providers.



The first step in creating a successful marketing plan is identifying realistic, measurable goals that can be achieved within two years.



Your goals should be shared with all staff members since a successful plan requires the support of the entire practice.

plan and take on any additional work that comes with it.

The elements of a plan

There are nine major steps required to develop a well-crafted, strategic marketing plan: set your marketing goals, conduct a marketing audit, conduct market research, analyze the research, identify your target audience, determine a budget, develop specific marketing strategies, develop an implementation schedule for the strategies and create an evaluation process.

1. Set your marketing goals. Once you've decided to market your practice, you need to set realistic and measurable goals to achieve over the next 18 to 24 months. This time span allows you to plan activities around community events that are in line with your marketing goals. For example, you might help sponsor an annual walkathon for breast cancer or speak at your community's annual health fair. Because of the rapid changes occurring in the health care environment, we don't recommend planning specific activities more than two years in advance. One way to define your goals is to separate them into the following three categories: immediate, one to six months; short-term, six to 12 months; and long-term, 12 to 24 months. Here are some examples of measurable goals:

- Increase the number of new patients

Your competitive edge may lie in your style of practice or the range of services you offer.

seen in the practice by 5 percent within the first six months and 10 percent by the end of the first year.

- Shift your patient mix by expanding the pediatric and adolescent patient base from 15 percent to 25 percent of total patient visits within 18 months.

- Increase your gross revenue by 30 percent within 24 months.

- Improve your practice's image, which may be measured by "before" and "after" scores on a community survey or by reviews from focus group participants.

It's important to share these goals with your staff members. They can tell you from their perspectives whether they believe the

KEY POINTS

- Marketing can increase your income, introduce new providers or improve your practice image, among other things.
- A strategic marketing plan requires you to define your practice in terms of what it does for patients.
- Every goal, strategy and action in your marketing plan is subject to change as you evaluate your progress.

goals are reasonable. If you want your marketing plan to be successful, your staff needs to support your efforts to achieve the marketing goals.

2. Conduct a marketing audit. A marketing audit is a review of all marketing activities that have occurred in your practice over the past three years. Be as thorough as possible, making sure to review every announcement, advertisement, phone-book ad, open house, brochure and seminar and evaluate whether it was successful.

3. Conduct market research. The purpose of market research is to draw a realistic picture of your practice, the community you practice in and your current position in that community. With this research, you can make fairly accurate projections about future growth in the community, identify competitive factors and explore nontraditional opportunities (such as offering patients nutritional counseling, smoking-cessation programs or massage therapy). Your research may even bring to light some problem areas in your practice as well as solutions you can implement right away. (See "A guide to market research" to find out what kind of information you need to gather and where to find it.)

Conducting market research is often the most time-consuming step in this process. However, it's also one of the most important steps. It's from this research that you're able to find out what your practice does best and what you need to work on, what the needs of your community are, who your practice should be targeting and how you should go about it.

4. Analyze the research. Next, you need to analyze the raw data you collect and summarize it into meaningful findings that will be the foundation for determining which marketing strategies make the most sense

A GUIDE TO MARKET RESEARCH

To gather the kind of information you need to develop a strategic marketing plan for your practice, you need to conduct market research on your practice, your competition and your community. You can't rely on intuition, judgment and experience; your practice needs hard data. Although it will take some time to gather this information, a number of resources are available that can make the process easier for you.

Your practice

Much of the information you need about your own practice can be found through discussions with staff members and other physicians, or by reviewing your patient records. You can also find out about your practice and whether it's meeting the needs of your current patients by asking them to fill out a patient survey about the practice. Here are some of the questions you need answered about your practice:

- What is the background and history of your practice? Has it been in the current community for a long time?
- What are your practice's strengths and weaknesses? Are there problems with scheduling, cancellations, staff turnover or reimbursement management?
- Who are your current patients in terms of their age, sex, ethnic origin, type of insurance coverage, chief complaints and where they live?
- What are the services provided by your practice? Who needs these services? Are these needs changing?
- How is your practice perceived by your patients?

Your competition

You need to find out who your competitors are and what they have to offer. Check with your county or state medical society and your local hospital to find out how many other family physicians, nurse practitioners and general internists are in your service area, how long they've practiced in that location and how many have moved into your area over the past five years.

Once you've determined who your competitors are, you need to assess them. This information may be a little harder to come by, but you can try to gather as much information as you can by simply asking other physicians, listening to your patients, friends and neighbors when they talk about their physicians and keeping your eye out for competitors' advertisements. To assess your competition, you need to ask the following questions:

- What are your competitors' target audiences and niche markets?
- Why do certain patients or groups of patients particularly like or dislike your competitors?
- How are your competitors viewed within the community?
- What marketing activities have your competitors tried?

Your community

In addition to gathering information about your practice and your competitors' practices, you need to learn as much as you can about the people in your community. You can find answers to the following questions by contacting your local Chamber of Commerce, your state vital statistics department or the U.S. Census Bureau (www.census.gov). Census data is available for every state, county, city, ZIP code, neighborhood, etc.:

- How many people live in your service area? Is the population expected to grow or shrink? What are the demographic characteristics of the population in your area?
- How is your practice perceived in the community? Are you known in the community?
- Who are your potential patients? Are their wants and needs being met elsewhere in the community? If not, how can your practice meet those needs?

and will get the best results for your practice. The research will identify the wants and needs of your current and potential patients and will help you to define your target audience (for more on target audiences, see page

42). This is also a good time to look back at the goals you've chosen. Based on your research findings, you may need to modify some of your goals. ►

A strategic marketing plan requires that

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It's helpful to review the effectiveness of all marketing activities that have occurred in your practice over the past three years.



You'll also need to spend a significant amount of time conducting market research on your practice, competition and community.



This research will help identify the needs of your current and potential patients and define your target audience.



Your target audience includes the patients you want to attract and the people who can influence that segment of the population.



Many practices in open markets spend 3 percent to 5 percent of their annual gross income on marketing.



Practices that are new or have never marketed before can expect to spend 10 percent of their income in the first year.



Some of the best marketing activities, such as sending thank-you notes to referring physicians, cost practically nothing.



Your marketing strategies should focus on the elements of your practice that can create a special value in the minds of patients and referral sources.

your practice be defined in terms of what it does for patients. The research analysis will reveal your practice's strategic advantages. After looking closely at your own practice as well as your competitors', you can ask yourself some key questions: What are the similarities and differences between your practice and your competitors? What sets your practice apart from your competition? Is your location more desirable than your competitors'? Do you offer a broader scope of services than the competition? Is there a service you provide that no one else in the community currently offers? Your competitive edge may lie in your style of practice, the range of services you offer, the ease of making an appointment or the way you and your staff communicate with patients.

5. Identify a target audience. With

The key to marketing lies in targeting the audience that your practice can serve better than your competition.

the help of your market research analysis, you should be able to identify your practice's "target audience," which is the specific group of patients to which you'd like to direct your marketing efforts. Your target audience might include patients of a certain age, gender, location, payer type or language/ethnicity and patients with certain clinical needs. Keep in mind that your target audience should not only be the patients you want to attract but also the people who can influence and provide exposure to that segment of the population. For example, if you wish to treat patients with arthritis, you might want to get involved in the local and regional Arthritis Foundation and explore senior organizations in the community. If you want to treat young athletes, you might consider giving talks on sports safety and first-aid tips to coaches and athletes at the local high schools, colleges and YMCAs. The key to marketing lies in targeting the audience that your practice can serve better than your competition – and communicating this to that group.

6. Determine a budget. Before you can decide what specific marketing strategies

you want to implement to achieve your goals, you need to examine your financial information and come up with a marketing budget. Marketing budgets vary by the type of market a practice is in, the age of a practice and whether the practice has marketed before. There's no standard for how much a practice should spend. However, in our experience, practices in open markets have spent 3 percent to 5 percent of their annual gross incomes on marketing. If your practice is new, in a highly competitive market or has never been marketed before, or if you intend to roll out an ambitious new program or service, you can expect to spend 10 percent or more of your annual gross income the first year you implement the plan.

Some of the initial marketing activities can be expensive. For example, it can cost more than \$5,000 to have a corporate image package (i.e., logo, stationery and collateral pieces) developed by a professional and as much as \$10,000 if you add a brochure. On the other hand, some of the best marketing activities cost practically nothing. For example, to build your referral network, you might try meeting with new physicians in your community and sending follow-up/thank-you notes to referring physicians. Big or small, these are all worthwhile investments that will give the community a positive image of your practice.

7. Develop marketing strategies. With your budget in place, you can begin to define specific marketing strategies that will address your goals, reach your target audience and build your patient base. Remember to focus your strategies on the elements of your practice that can be used to create a special value in the minds of patients and referral sources. Each strategy should be related to a specific goal and should be made up of numerous actions. For example, one strategy related to the goal of increasing patient satisfaction might be to make the office more patient friendly. The actions required for that strategy might include the following:

- Provide patient satisfaction training sessions to staff;
- Develop a patient self-scheduling system within the practice Web site to eliminate the need to telephone the office for an appointment;
- Improve the reception-room decor;

- Provide name tags for staff;
- Require staff to introduce themselves to each new patient;
- Conduct post-encounter telephone interviews with new patients within three days of their appointments.

[Watch for an upcoming article in *FPM* about specific, cost-effective marketing actions you can try in your practice.]

8. Develop an implementation sched-

Focus your strategies on the elements of your practice that can be used to create a special value in the minds of patients and referral sources.

ule. An implementation schedule is a timeline that shows which marketing actions will be done when and by whom. The schedule should also include the cost of each marketing action and how it fits into the budget estimates for the 24-month period. When creating the schedule, carefully consider how the activities will affect the current practice operations and whether there are sufficient resources (such as staff, time and money) to accomplish the necessary tasks. In some cases, it may be necessary to whittle down the list or postpone some activities. In other cases, it might be best to go ahead with full implementation of your plan. If you want to fully implement the plan but don't quite have the staffing resources, you might consider bringing in a consultant to coordinate the marketing activities and/or adding a part-time staff member to handle the majority of the marketing tasks. The implementation schedule will also give you a basis on which to monitor the progress of your marketing plan.

9. Create an evaluation process. The value of a marketing plan is its effectiveness, which requires deliberate and timely implementation *and* monitoring and evaluation of results. It's important to measure your results against the standards you set in establishing your goals. Review your plan periodically (we recommend quarterly) by comparing

your progress with the implementation schedule. There are several ways you can measure the results of your progress: patient survey scores, referral sources, increased income, increased new patients and decreased complaints.

If at any time you find your progress does not measure up to your expectations, you need to determine why. Perhaps the advertisement about a new service you are marketing has not attracted new patients. If the ad campaign has been carried out as directed without results, dump the campaign and try other actions. Perhaps you'll want to try giving a series of seminars specifically targeted to the group you want to attract

or developing a new segment on your Web site for patients that describes the benefits of the new service. You may even find that if each physician in the practice talks about the new service with his or her patients as merely informational conversation, favorable results will follow. In other words, the actions – and even the strategies and goals – in the marketing plan are not written in stone. By regularly monitoring and evaluating each action, you can always change and try new approaches.

As good as you make it

A good marketing plan outlines realistic marketing goals, strategies and actions based on sound information and research about your practice and your community. But the plan is only as good as your commitment to implementing it, dedicating sufficient resources to the endeavor, involving your staff and communicating openly with them. The mar-

keting plan should not merely be written, reviewed and put away on a shelf. Instead, your practice marketing plan should be an evolving blueprint that guides your efforts and monitors your success. Marketing works when the dedication is there. It's up to you!

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Send comments to fpmedit@aafp.org.

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Each marketing strategy should be related to a specific goal and made up of numerous actions.



Your implementation schedule should show when marketing actions will be done and by whom.



By periodically comparing your progress with your implementation schedule, you can determine the effectiveness of your plan.



Marketing goals, strategies and actions are not written in stone; always be prepared to change and try new approaches.